

**Amendment No. 1 to SB3424**

**Herron  
Signature of Sponsor**

**AMEND Senate Bill No. 3424\***

**House Bill No. 3340**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

by deleting all language following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5 is amended by adding Sections 2 through 8 below as a new, appropriately designated part thereto.

SECTION 2. It is the intent of the general assembly to make available health insurance coverage, on a basis that is affordable for them and for the state, to uninsurable adults who cannot otherwise qualify for such insurance because of their pre-existing medical conditions. It is the intent of the general assembly that, in order to maximize the effectiveness of state appropriations and the amount of necessary medical care available to uninsurable Tennesseans, state funds expended under this act for the coverage for uninsurable adults should qualify for federal matching funds to the maximum extent practicable. It is therefore the intent of the general assembly that the coverage authorized by this act should be administered in conformity with the federal determination of budget neutrality that was made in 2002 with respect to coverage of uninsurable adults under the TennCare waiver that expires on July 1, 2007.

SECTION 3. The commissioner shall prescribe by regulations the scope of medical and behavioral health benefits to be provided to uninsurable adults; provided, however, that the scope of such benefits shall be comparable to the scope of such benefits provided to persons enrolled in the plan administered pursuant to §8-27-101 et seq.

SECTION 4. The commissioner shall require that any adult who seeks coverage under this act shall submit information that is sufficient to establish that such adult is

uninsurable because he or she has a pre-existing medical condition that prevents him or her from obtaining commercial health insurance. Unless an application is submitted with documentation that the person has a medical condition that has been found by the commissioner to prevent persons from obtaining commercial coverage, the commissioner shall contract with an independent medical underwriter to review each application to make an individualized determination whether the applicant's condition or combination of conditions renders such applicant commercially uninsurable.

SECTION 5. Any person with an income above two hundred percent (200%) of the current federal poverty level shall pay a premium which, when matched by federal financial participation, if any, is determined by the comptroller of the treasury by annual actuarial study to be sufficient to cover the costs of participation of persons of similar demographic characteristics. Uninsurable adults whose incomes exceed the current federal poverty level but are less than two hundred percent (200%) of the current federal poverty level shall pay premiums set on a sliding scale that reflects their ability to pay. Uninsurable adults with incomes below the current federal poverty level shall not be liable for premiums but may be subject to nominal cost-sharing requirements that reflect their ability to pay.

SECTION 6. The commissioner, on or before October 1, 2006, shall determine the initial enrollment limit of the program based on the availability of any state and federal funds appropriated for the program. On November 1, 2006, an initial two (2) month enrollment period for the program shall be instituted, with enrollment for the program to end when the enrollment limit has been reached or, if the enrollment limit is not reached prior to December 31, 2006, on December 31, 2006. A subsequent enrollment period is to be opened each subsequent November under the same restrictions, provided that the commissioner determines that enrollment capacity for the program is available. Initial coverage for the program shall become effective January 1,

2007.

SECTION 7. The commissioner may adopt such rules as are necessary and proper to implement this part, including but not limited to any rules or regulations necessary to comply with or implement the provisions of any federal requirement, federal waiver or state plan governing the program. Such rules may be promulgated as public necessity rules pursuant to section 4-5-209.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.